

REMARKS/ARGUMENTS

Claims 1, 2, 4, 6-10, and 38-53 are pending. Claims 1, 2, 4, and 6-10 are amended. Claims 3, 5, and 11-30 are canceled. Claims 31-37 are withdrawn pursuant to a prior restriction requirement. Claims 38-53 are new. Claims 38-53 reflect computer program product claims and data processing claims having similar features to those presented in amended claims 1, 2, 4, and 6-10. Support for the claim amendments and the new claims can be found in the claims as originally filed and in the specification at page 16, lines 13-19 and on page 17, line 19 through page 18, line 8. No new matter is added.

I. Asserted Claim Objection

The examiner objects to claim 2 on the basis of the asserted informality. Applicants have amended claim 2 accordingly, thereby overcoming the objection.

II. 35 U.S.C. § 112, Second Paragraph: Asserted Indefiniteness

The Examiner rejects claims 1-4, 6-14, 16-24 and 26-30 under 35 U.S.C. § 112, second paragraph, as indefinite. This rejection is respectfully traversed. The Examiner states:

Regarding claim 1 the phrases "first software facility" and "second software facility" renders the claims indefinite because it is not clear what the software facilities are. The specification fails to provide any teachings of either a first software facility or second software facility that include first and second level services for each facility. Instead, the specification teaches a host that contains first and second level services for multiple business clients (paragraph 0011). The specification does not distinguish two separate software facilities for the first and second business clients. Instead, business clients rely on the same first and second services on the host. Therefore, for interpretation purposes, claim 1 is interpreted to require that a host provide first level services and second level services for at least two business clients wherein the first level and second level services can be shared by the two business clients and that first and second software facilities requires only that the host accept/maintain information about a first and second business client within the host. Claims 2-4, 6-14, 16-24 and 26-30 stand rejected for similar reasons.

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Applicants do not concede that the rejection is correct and do not concede that the previously presented claim language is indefinite. Nevertheless, Applicants have amended the claims to remove the terms "first software facility," "second software facility," and all related terms. Therefore, this rejection is now moot.

III. 35 U.S.C. § 102: Asserted Anticipation

The Examiner rejects claims 1-4, 6, 8, 9, 11-14, 16, 18, 19, 21-24, 26, 28 and 29 under 35 U.S.C. § 102(e) as anticipated by *Lucas*, Inventory Control System and Methods, U.S. Patent 6,996,538 (February 7, 2006) (hereinafter "*Lucas*"). This rejection is respectfully traversed. The Examiner states:

Regarding claims 1, 11 and 21, Lucas discloses a method and system in a host data processing system for providing electronic business functions for a plurality of business clients, the method comprising:

providing, within the host, a first software facility for a first one of the plurality of business clients, the first software facility including first software facility first and second level services (column 4, line 58-65 and column 5, lines 15-42; Examiner notes that this teaches first level services, including at least storage and second level services, including at least specific rules and inventory management);

providing, within the host, a second software facility for a second one of the plurality of business clients, the second software facility including second facility first and second level services (column 4, line 58-65 and column 5, lines 15-42; Examiner notes that this teaches first level services, including at least storage and second level services, including at least specific rules and inventory management);

said host providing, web hosting for said first and second ones of the plurality of business clients using said first software facility first and second level services and said second software facility first and second level services (column 4, line 66 thru column 5, line 8 and column 6, lines 55 thru column 7, line 5; Examiner notes that the web server provides web hosting);

automatically determining, by the first software facility, that a transaction needs to be executed between the first software facility and the second software facility, the determination is being made in response to a request from the first one of the plurality of business clients (column 11, lines 28 thru column 12, line 4; server automatically scans inventory and places orders based on customer demand);

said first software facility making decisions on behalf of the first one of the plurality of business clients to execute transaction with the second software facility (column 11, lines 28 thru column 12, line 4; server decides to place orders when inventory is depleted and can predict frequently used items to order appropriate quantities);

the first and second software facilities automatically completing the transaction without any action required by either the first one or the second one of the plurality of business clients, and parameters defining the bounds in which the transaction take place being determined by the first one of the plurality of business clients (column 11, lines 28 thru column 12, line 4; server calculated the shipping, posts invoices to accounts payable systems and performs necessary administrative functions).

Final Office Action of November 14, 2007, pp. 4-5.

A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if every element of a claimed invention is identically shown in that single reference, arranged as they are in the claims. *In re Bond*, 910 F.2d 831, 832, 15 U.S.P.Q.2d 1566, 1567 (Fed. Cir. 1990). All limitations of the claimed invention must be considered when determining patentability. *In re Lowry*, 32 F.3d 1579, 1582, 32 U.S.P.Q.2d 1031, 1034 (Fed. Cir. 1994). Anticipation focuses on whether a claim reads on the product or process a prior art reference discloses, not on what the reference broadly teaches. *Kalman v. Kimberly-Clark Corp.*, 713 F.2d 760, 218 U.S.P.Q. 781 (Fed. Cir. 1983). In this case, each and every feature of the presently claimed invention is not identically shown in the cited reference, arranged as they are in the claims.

Applicants first address the rejection of claim 1. Claim 1 as amended, in clean form, is as follows:

1. (Currently Amended) A method in a host data processing system for providing electronic business functions for a first client and a second client, wherein the first client and the second client are different, the method comprising:
 - hosting, by the host, the first client and the second client, wherein the host provides storage, network connectivity, web hosting, and processing capability to both the first client and the second client;
 - automatically determining, by the host, that a transaction is to be executed between the first client and the second client, wherein determining is made responsive to a request from the first client, and wherein parameters defining bounds in which the transaction takes place are determined by the first client; and
 - automatically completing the transaction, using the host, without any action required by either the first client or the second client.

Lucas does not teach the claimed feature of, “hosting, by the host, the first client and the second client, wherein the host provides storage, network connectivity, web hosting, and processing capability to both the first client and the second client,” in conjunction with the remaining features of claim 1. Therefore, *Lucas* does not anticipate claim 1.

Lucas is directed to a forum through which resellers and customers may directly interact to resell surplus and used equipment. *Lucas*, Abstract. *Lucas* does teach a system in which a server facilitates transactions between vendors and purchasers. *Lucas*, col. 2, l. 56.

However, *Lucas* does not teach hosting both the first client and the second client in the manner specified in claim 1. For example, *Lucas* states the following:

Linked Supplier--A distinction is made to avoid confusion with other vendors doing business with the present invention, given that payables may be in a common accounts payable system. Distributors, manufacturers, or other vendors (collectively "suppliers"), are distinguished by whether they are using the present

invention's inventory tracking and accounting software, and therefore have live Internet linkages into their databases for queries, order processing, and billing.

Lucas, col. 5, ll. 57-65.

Lucas specifically states that the “linked suppliers” use the tracking and accounting software provided by *Lucas*. However, *Lucas* also states that these facilities allow for Internet linkages into the databases of the linked suppliers. Thus, *Lucas* explicitly provides that the linked suppliers are not hosted by the same host, at least in the sense of providing storage, network connectivity, web hosting, and processing capability to both the first client and the second client, as specified in claim 1.

Therefore, *Lucas* does not teach all of the features of claim 1. Accordingly, under the standards of *In re Bond*, the cited reference does not anticipate claim 1.

IV. 35 U.S.C. § 103, Obviousness

IV.A. Claims 7, 17 and 27

The Examiner rejects claims 7, 17 and 27 under 35 U.S.C. § 103(a) as obvious over *Lucas* in view of Official Notice. This rejection is respectfully traversed. The Examiner states:

Regarding claims 7, 17 and 27, *Lucas* teaches that the server can post supplier invoices to an accounts payable system, generate customer invoices based on supplier invoices, and post customer invoices to an accounts receivable system (column 11, lines 47-52). *Lucas* further teaches that the server can integrate with an automated payment system to limit expenses. *Lucas* fails to specifically teach transferring appropriate sums from an account belonging to the first one of the plurality of business clients to an account belonging to the second one of the plurality of business clients. Official Notice is taken that the transferring of the funds between accounts is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of *Lucas* to include transferring funds because it completes the transaction and *Lucas* already teaches posting invoices to the accounts and the ability to integrate an automated payment system which are required for transferring funds.

Final Office Action dated November 14, 2007, pages 7-8.

The Examiner bears the burden of establishing a *prima facie* case of obviousness based on prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The prior art reference (or references when combined) must teach or suggest all the claim limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). In determining obviousness, the scope and content of the prior art are... determined; differences between the prior art and the claims at issue are... ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or non-obviousness of the subject matter is determined. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). “Often, it will be necessary for a court to look to interrelated teachings of

multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR Int’l. Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007). “*Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.*” *Id.* (citing *In re Kahn*, 441 F.3d 977, 988 (CA Fed. 2006)).”

Claim 7 as amended is as follows:

7. (Currently Amended) The method of claim 6, wherein facilitating payment comprises:
transferring appropriate sums from a first account belonging to the first client to a second account belonging to the second client.

No *prima facie* obviousness rejection can be stated against claim 1 using the combination of *Lucas* and Official Notice because the proposed combination, considered as a whole, does not teach or suggest all of the features of claim 1, from which claim 7 depends. As shown above, *Lucas* does not teach all of the features of claim 1. Given that *Lucas* explicitly teaches a different technique to that claimed, *Lucas* does not suggest all of the features of claim 1.

The Official Notice notes that transferring funds between accounts is old. This fact is irrelevant to the claimed hosting feature. Therefore, Official Notice does not teach or suggest the features of claim 1.

Because neither *Lucas* nor Official Notice teach or suggest all of the features of claim 1, the proposed combination, considered as a whole, does not teach or suggest all of the features of claim 1. Because claim 7 depends from claim 1, the proposed combination, considered as a whole, does not teach or suggest all of the features of claim 7. Therefore, under the standards of *In re Royka*, this rejection is overcome.

IV.B. Claims 10, 20 and 30

The Examiner rejects claims 10, 20 and 30 under 35 U.S.C. § 103(a) as obvious over *Lucas* in view of *Connor et al.*, System and Method for Automatically Negotiating License Agreements and Installing Arbitrary User-Specified Applications on Application Service Providers, U.S. Patent 6,816,882 (November 9, 2004) (hereinafter "*Connor*"). This rejection is respectfully traversed. The Examiner states:

Regarding claims 10, 20 and 30, *Lucas* teaches a server containing first and second level services (column 4, line 58-65 and column 5, lines 15-42). *Lucas* fails to teach subcontracting the first software facility first level services and the second software facility first level services from a secondary hosting service.

Conner teaches a system, method and instructions for negotiating license agreements and installing arbitrary user-specified applications on application service providers (column 2, line 59 thru column 3, line 2). Initially, a user perceives a need for an application, however, rather than the user supporting the application, the user contracts with an application service provider (ASP) for hosting the application (column 2, line 59 thru column 3, line 2). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Lucas and include the subcontracting teachings of Conner because it provides for a host specializing or familiar with first and second level services to manage the first and second level services for another host with less capabilities or who can't provide it as efficiently or with the same financial benefits.

Final Office Action dated November 14, 2007, pages 8-9.

Claim 10 as amended is as follows:

10. (Currently Amended) The method of claim 1, further comprising:
subcontracting at least one of the storage, the network connectivity, the web hosting, and the processing capability.

No *prima facie* obviousness rejection can be stated against claim 1 using the combination of *Lucas* and Official Notice because the proposed combination, considered as a whole, does not teach or suggest all of the features of claim 1, from which claim 10 depends. As shown above, *Lucas* does not teach all of the features of claim 1. Given that *Lucas* explicitly teaches a different technique to that claimed, *Lucas* does not suggest all of the features of claim 1.

Conner teaches a system in which a user contracts with an application service provider for hosting a needed application. *Connor*, Abstract. However, *Connor* does not teach the hosting feature of claim 1, as arranged in claim 1. Additionally, because *Connor* is devoid of disclosure in this regard, *Connor* also does not suggest this feature of claim 1.

Because neither *Lucas* nor *Conner* teach or suggest all of the features of claim 1, the proposed combination, considered as a whole, does not teach or suggest all of the features of claim 1. Because claim 10 depends from claim 1, the proposed combination, considered as a whole, does not teach or suggest all of the features of claim 10. Therefore, under the standards of *In re Royka*, this rejection is overcome.

V. Conclusion

The subject application is patentable over the cited references and should now be in condition for allowance. The examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

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Respectfully submitted,

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